



110TH CONGRESS  
1ST SESSION

# S. 1824

To amend title XVIII of the Social Security Act to establish a Hospital Quality Report Card Initiative under the Medicare program to assess and report on health care quality in hospitals.

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## IN THE SENATE OF THE UNITED STATES

JULY 19, 2007

Mr. OBAMA introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XVIII of the Social Security Act to establish a Hospital Quality Report Card Initiative under the Medicare program to assess and report on health care quality in hospitals.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Hospital Quality Re-  
5 port Card Act of 2007”.

6 **SEC. 2. PURPOSE.**

7 The purpose of this Act is to expand hospital quality  
8 reporting by establishing the Hospital Quality Report

1 Card Initiative under the Medicare program to ensure that  
2 hospital quality measures data are readily available and  
3 accessible in order to—

4 (1) assist patients and consumers in making de-  
5 cisions about where to get health care;

6 (2) assist purchasers and insurers in making  
7 decisions that determine where employees, sub-  
8 scribers, members, or participants are able to go for  
9 their health care; and

10 (3) assist health care providers in identifying  
11 opportunities for quality improvement and cost con-  
12 tainment.

13 **SEC. 3. HOSPITAL QUALITY REPORT CARD INITIATIVE.**

14 (a) IN GENERAL.—Title XVIII of the Social Security  
15 Act (42 U.S.C. 1395 et seq.) is amended by adding at  
16 the end the following new section:

17 “HOSPITAL QUALITY REPORT CARD INITIATIVE

18 “SEC. 1898. (a) IN GENERAL.—Not later than 18  
19 months after the date of the enactment of the Hospital  
20 Quality Report Card Act of 2007, the Secretary, acting  
21 through the Administrator of the Centers for Medicare &  
22 Medicaid Services (in this section referred to as the ‘Ad-  
23 ministrator’) and in consultation with the Director of the  
24 Agency for Healthcare Research and Quality, shall, di-  
25 rectly or through contracts with States or appropriate en-  
26 tities (such as utilization and quality control peer review

1 organizations under part B of title XI, commonly known  
 2 as Quality Improvement Organizations), establish and im-  
 3 plement a Hospital Quality Report Card Initiative (in this  
 4 section referred to as the 'Initiative') to report on health  
 5 care quality in subsection (d) hospitals.

6       “(b) SUBSECTION (d) HOSPITAL.—For purposes of  
 7 this section, the term ‘subsection (d) hospital’ has the  
 8 meaning given such term in section 1886(d)(1)(B).

9       “(c) REQUIREMENTS OF INITIATIVE.—

10           “(1) QUALITY MEASUREMENT REPORTS FOR  
 11 HOSPITALS.—

12           “(A) QUALITY MEASURES.—Not less than  
 13 2 times each year, the Secretary shall publish  
 14 reports on hospital quality. Such reports shall  
 15 include quality measures data submitted under  
 16 section 1886(b)(3)(B)(viii), and other data as  
 17 feasible, that allow for an assessment of health  
 18 care—

19                   “(i) effectiveness;

20                   “(ii) safety;

21                   “(iii) timeliness;

22                   “(iv) efficiency;

23                   “(v) patient-centeredness; and

24                   “(vi) equity.

1           “(B) REPORT CARD FEATURES.—In col-  
2           lecting and reporting data as provided for  
3           under subparagraph (A), the Secretary shall in-  
4           clude hospital information, as possible, relating  
5           to—

6                   “(i) staffing levels of nurses and other  
7                   health professionals, as appropriate;

8                   “(ii) rates of hospital acquired infec-  
9                   tions;

10                  “(iii) the volume of various procedures  
11                  performed;

12                  “(iv) the availability of interpreter  
13                  services on-site;

14                  “(v) the accreditation of hospitals, as  
15                  well as sanctions and other violations  
16                  found by accreditation or State licensing  
17                  boards;

18                  “(vi) the quality of care for various  
19                  patient populations, including pediatric  
20                  populations and racial and ethnic minority  
21                  populations;

22                  “(vii) the availability and accessibility  
23                  of emergency rooms, including measures of  
24                  crowding such as diversion status, patient

boarding in the emergency room, and untreated patients due to extended wait time;

“(viii) the availability of intensive care units, obstetrical units, and burn units;

“(ix) the quality of care in various hospital settings, including inpatient, outpatient, emergency, maternity, and intensive care unit settings;

“(x) the use of health information technology, telemedicine, and electronic medical records;

“(xi) ongoing patient safety initiatives; and

“(xii) other measures determined appropriate by the Secretary.

“(C) TAILORING OF HOSPITAL QUALITY REPORTS.—The Director of the Agency for Healthcare Research and Quality may modify and publish hospital reports to include quality measures for diseases and health conditions of particular relevance to certain regions, States, or local areas.

“(D) RISK ADJUSTMENT.—

“(i) IN GENERAL.—In reporting data as provided for under subparagraph (A),

1 the Secretary may risk adjust quality  
2 measures to account for differences relat-  
3 ing to—

4 “(I) the characteristics of the re-  
5 porting hospital, such as licensed bed  
6 size, geography, teaching hospital sta-  
7 tus, and profit status; and

8 “(II) patient characteristics, such  
9 as health status, severity of illness, in-  
10 surance status, and socioeconomic sta-  
11 tus.

12 “(ii) AVAILABILITY OF UNADJUSTED  
13 DATA.—If the Secretary reports data  
14 under subparagraph (A) using risk-ad-  
15 justed quality measures, the Secretary  
16 shall establish procedures for making the  
17 unadjusted data available to the public in  
18 a manner determined appropriate by the  
19 Secretary.

20 “(E) COSTS AND CHARGES.—The Sec-  
21 retary shall—

22 “(i) compile data relating to the aver-  
23 age hospital cost and charges for ICD-9  
24 conditions for which quality measures data  
25 are collected; and

“(ii) report such information in a manner that allows cost and charge comparisons between or among subsection (d) hospitals.

“(F) VERIFICATION.—Under the Initiative, the Secretary may verify data reported under this paragraph to ensure accuracy and validity.

“(G) DISCLOSURE.—The Secretary shall disclose the entire methodology for the reporting of data under this paragraph to all relevant organizations and all subsection (d) hospitals that are the subject of any such information that is to be made available to the public prior to the public disclosure of such information.

“(H) PUBLIC INPUT.—The Secretary shall provide an opportunity for public review and comment with respect to the quality measures to be reported for subsection (d) hospitals under this section for at least 60 days prior to the finalization by the Secretary of the quality measures to be used for such hospitals.

“(I) AVAILABILITY OF REPORTS AND FINDINGS.—

“(i) ELECTRONIC AVAILABILITY.—  
The Secretary shall ensure that reports are

1 made available under this section in an  
2 electronic format, in an understandable  
3 manner with respect to various populations  
4 (including those with low functional health  
5 literacy), and in a manner that allows  
6 health care quality comparisons to be made  
7 between local hospitals.

8 “(ii) FINDINGS.—The Secretary shall  
9 establish procedures for making report  
10 findings available to the public, upon re-  
11 quest, in a nonelectronic format, such as  
12 through the toll-free telephone number 1-  
13 800-MEDICARE.

14 “(J) IDENTIFICATION OF METHOD-  
15 OLOGY.—The analytic methodologies and limi-  
16 tations on data sources utilized by the Sec-  
17 retary to develop and disseminate the compara-  
18 tive data under this section shall be identified  
19 and acknowledged as part of the dissemination  
20 of such data, and include the appropriate and  
21 inappropriate uses of such data.

22 “(K) ADVERSE SELECTION OF PA-  
23 TIENTS.—On at least an annual basis, the Sec-  
24 retary shall compare quality measures data sub-  
25 mitted by each subsection (d) hospital under



1 section 1886(b)(3)(B)(viii) with data submitted  
2 in the prior year or years by the same hospital  
3 in order to identify and report actions that  
4 would lead to false or artificial improvements in  
5 the hospital's quality measurements, includ-  
6 ing—

7 “(i) adverse selection against patients  
8 with severe illness or other factors that  
9 predispose patients to poor health out-  
10 comes; and

11 “(ii) provision of health care that does  
12 not meet established recommendations or  
13 accepted standards for care.

14 “(2) DATA SAFEGUARDS.—

15 “(A) UNAUTHORIZED USE AND DISCLO-  
16 SURE.—The Secretary shall develop and imple-  
17 ment effective safeguards to protect against the  
18 unauthorized use or disclosure of hospital data  
19 that is reported under this section.

20 “(B) INACCURATE INFORMATION.—The  
21 Secretary shall develop and implement effective  
22 safeguards to protect against the dissemination  
23 of inconsistent, incomplete, invalid, inaccurate,  
24 or subjective hospital data.

1                   “(C) IDENTIFIABLE DATA.—The Secretary  
2                   shall ensure that identifiable patient data shall  
3                   not be released to the public.

4                   “(d) GRANTS AND TECHNICAL ASSISTANCE.—The  
5                   Secretary may award grants to national or State organiza-  
6                   tions, partnerships, utilization and quality control peer re-  
7                   view organizations under part B of title XI, or other enti-  
8                   ties that may assist with hospital quality improvement.

9                   “(e) HOSPITAL QUALITY ADVISORY COMMITTEE.—

10                  “(1) ESTABLISHMENT.—The Administrator, in  
11                  consultation with the Director of the Agency for  
12                  Healthcare Research and Quality, shall establish the  
13                  Hospital Quality Advisory Committee (in this sub-  
14                  section referred to as the ‘Advisory Committee’) to  
15                  provide advice to the Administrator on the submis-  
16                  sion, collection, and reporting of quality measures  
17                  data. The Administrator shall serve as the chair-  
18                  person of the Advisory Committee.

19                  “(2) MEMBERSHIP.—The Advisory Committee  
20                  shall include representatives of the following (except  
21                  with respect to subparagraphs (A) through (D), to  
22                  be appointed by the Administrator):

23                         “(A) The Agency for Healthcare Research  
24                         and Quality.

1           “(B) The Health Resources and Services  
2           Administration.

3           “(C) The Department of Veterans Affairs.

4           “(D) The Centers for Disease Control and  
5           Prevention.

6           “(E) National membership organizations  
7           that focus on health care quality improvement.

8           “(F) Public and private hospitals.

9           “(G) Physicians, nurses, and other health  
10          professionals.

11          “(H) Patients and patient advocates.

12          “(I) Health insurance purchasers and  
13          other payers.

14          “(J) Health researchers, policymakers, and  
15          other experts in the field of health care quality.

16          “(K) Health care accreditation entities.

17          “(L) Representatives of utilization and  
18          quality control peer review organizations under  
19          part B of title XI.

20          “(M) Other agencies and groups as deter-  
21          mined appropriate by the Administrator.

22          “(3) DUTIES.—The Advisory Committee shall  
23          review and provide guidance and recommendations  
24          to the Administrator on—

25          “(A) the establishment of the Initiative;

1           “(B) integration and coordination of Fed-  
2           eral quality measures data submission require-  
3           ments, to avoid needless duplication and ineffi-  
4           ciency;

5           “(C) legal and regulatory barriers that  
6           may hinder quality measures data collection  
7           and reporting; and

8           “(D) necessary technical and financial as-  
9           sistance to encourage quality measures data col-  
10          lection and reporting.

11          “(4) STAFF AND RESOURCES.—The Adminis-  
12          trator shall provide the Advisory Committee with ap-  
13          propriate staff and resources for the functioning of  
14          the Advisory Committee.

15          “(5) DURATION.—The Advisory Committee  
16          shall terminate at the discretion of the Adminis-  
17          trator, but in no event later than 5 years after the  
18          date of enactment of this section.

19          “(f) AUTHORIZATION OF APPROPRIATIONS.—There  
20          are authorized to be appropriated to carry out this section  
21          such sums as may be necessary for each of fiscal years  
22          2008 through 2017.”.

23          (b) CONFORMING AMENDMENT.—Section  
24          1886(b)(3)(B)(viii)(VII) of the Social Security Act (42  
25          U.S.C. 1395ww(b)(3)(B)(viii)(VII)), as added by section

1 5001 of the Deficit Reduction Act of 2005, is amended  
2 to read as follows:

3 “(VII) The Secretary shall use the data submitted  
4 under this clause for the Hospital Quality Report Card  
5 Initiative under section 1898.”.

6 **SEC. 4. EVALUATION OF THE HOSPITAL QUALITY REPORT**  
7 **CARD INITIATIVE.**

8 (a) **IN GENERAL.**—The Director of the Agency for  
9 Healthcare Research and Quality, directly or through con-  
10 tract, shall evaluate and periodically report to Congress  
11 on the effectiveness of the Hospital Quality Report Card  
12 Initiative established under section 1898 of the Social Se-  
13 curity Act, as added by section 3, including the effective-  
14 ness of the Initiative in meeting the purpose described in  
15 section 2. The Director shall make such reports available  
16 to the public.

17 (b) **RESEARCH.**—The Director of the Agency for  
18 Healthcare Research and Quality, in consultation with the  
19 Administrator of the Centers for Medicare & Medicaid  
20 Services, shall use the outcomes from the evaluation con-  
21 ducted pursuant to subsection (a) to increase the useful-  
22 ness of the Hospital Quality Report Card Initiative, par-  
23 ticularly for patients, as necessary.

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